

---

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

HB 33 Engrossed

2018 Regular Session

Pearson

**Abstract:** To require participating employers to pay the unfunded accrued liability attributable to privatization of positions otherwise covered by the Municipal Employees' Retirement System of Louisiana (MERS) and to provide for use of applicable actuarial standards of practice.

Present law requires each incorporated city, town, or village seeking participation in MERS to submit an agreement of coverage for extending benefits to its employees. Present law requires that if the employer terminates the agreement of coverage, the employer shall remit the portion of the unamortized frozen unfunded accrued liability existing on June 30th immediately prior to the date of termination which is attributable to the employer's participation in the system. Requires that the amount due shall be determined by the actuary employed by the system and shall either be paid in a lump sum or amortized over 10 years in equal monthly payments with interest at the system's actuarial valuation rate in the same manner as regular payroll payments to the system, at the option of the employer. Proposed law requires that the actuary use applicable actuarial standards of practice in calculating the amount due.

Proposed law further requires that if an employer eliminates an employee position or class of positions by contracting with a private entity for the work, the employer shall remit that portion of the unamortized frozen unfunded accrued liability existing on June 30th immediately prior to the date of privatization which is attributable to the eliminated position or class of positions. The portion of the unfunded accrued liability shall be calculated and paid as provided by present law.

Effective July 1, 2018.

(Amends R.S. 11:1733(F)(1) and (2))